

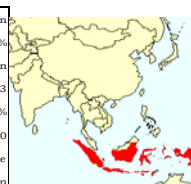


Making
Cities
Work

INDONESIA

Capital: Jakarta (2000)
Largest City: Jakarta 11,018,000
2nd Largest City: Bandung 3,409,000

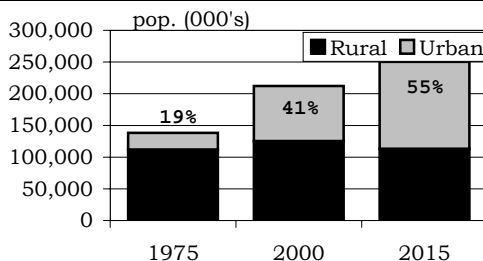
2000 Population	212.1 million
10-year Avg. Annual Pop. Growth	1.7%
GDP (2000)	\$654.0 billion
GDP per capita	\$3,083
GDP growth	4.8%
GNI per capita (2000)	\$570
World Bank Classification	Low Income
Population Below Poverty Line	57.5 million



Urban Profile

Urban Population

86,833,000
lived in
urban areas
in 2000.



Annual Growth Rates (2000-2015)

Urban 3.1%
Rural -0.7%

City Sizes	# of cities
10 million +	1
5-9.99 m	0
2.5 - 4.99 m	2
.75-2.49 m	7

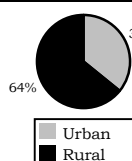
Urban Migration Trends

Indonesia exhibits circular migration: working individuals leave the home daily/weekly and travel long distances to job sites. In Java, high volumes leave the island for other islands to escape worsening rural impoverishment. The government sponsored an involuntary Transmigration Program from 1969-1989, which yielded few positive results. Fastest growing cities between 1990 and 1995 were Bandung at 3.1% and Ujungpandang at 3.0%, indicating growth was not solely focused on the capital city.

Urban Poverty

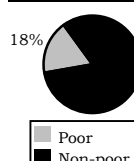
15,456,274
urban dwellers
were below the
poverty level.

POVERTY IN INDONESIA



36% of the
country's poor
live in
urban areas.

NATIONAL POVERTY



18% of
the urban
population
is poor.

Income Inequality

(wealthiest 20% divided by poorest 20%)

Nation ('96)	5.6
Jakarta ('93)	6.6
Surabaya ('93)	8.1

Economy & Employment

(Country) Sector	GDP (1999)	Employment (1990)
Agriculture	21%	55%
Industrial	35%	14%
Services	44%	31%

UNEMPLOYMENT

National	15.0%
Jakarta	16.8%
Bandung	12.7%
Surabaya	18.6%

UNEMPLOYMENT.

Pre-1997 Financial Crisis:

Urban 8.3% (1996); Rural 3.0% (1996)

Post-1997 Financial Crisis:

Urban 9.3% (1998); Rural 3.3% (1998)

Decentralization

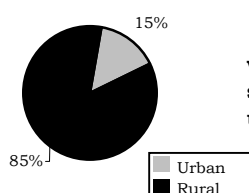
Sample Urban Area: Jakarta, pop. 11.0 million (2000)

(UNCHS - HABITAT, 1998)

Able to set <u>some</u> of local tax levels	Able to choose <u>some</u> contractors for projects
Able to set <u>some</u> of user charges	Funds transfer <u>is</u> known in advance
Able to borrow <u>some</u> of funds	Central government <u>cannot</u> remove local govt. officials

Infrastructure & Basic Services

7,814,970
urban dwellers
lack water supply.

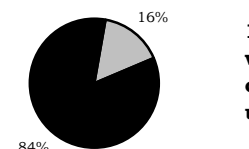


15% of people
without water
supply live in
urban areas.

Population without Water Supply in 2000

	(000's)	% of rel. pop.
Urban	7,815	9%
Rural	43,846	35%
Total	51,661	24%

11,288,290
urban dwellers
lack sanitation
coverage.



16% of people
without sanitation
coverage live in
urban areas.

Pop. without Sanitation Coverage in 2000

	(000's)	% of rel. pop.
Urban	11,288	13%
Rural	60,132	48%
Total	71,420	34%

Health

First and Second Quintile of Income Distribution

	Urban Poorest	Rural Poorest	Urban Poor	Rural Poor	National Average
Under 5 yrs.-old. mortality rate (per 1,000 births, 1998)	(102.3)	109.1	112.8	72.8	70.6
Children severely underweight (under 3 yrs.-old)	*	*	*	*	*

Crime

Addiction to illegal drugs is soaring among the young in Indonesian cities. This can be logically interpreted as a consequence of the high level of unemployed and disenfranchised youth. Apart from the health impact, this high level of drug use inevitably has lead to increased crime. SME owners recently surveyed in Medan claim constant harassment by criminals in collusion with corrupt officials and members of the police. It is happening routinely now, with 46% of business owners recently surveyed nationwide by The Asia Foundation reporting that they paid regular protection money to 'youth groups'.